

HOUSE BILL 3102

By Curtiss

AN ACT to amend Tennessee Code Annotated, Title 66,
Chapter 11, Part 1, relative to mechanics' and
materialmen's liens.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 66-11-143(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a) In order to be protected from lien claims that have not previously been recorded, as provided in § 66-11-111 or § 66-11-112, the owner or purchaser of improved real property or their agent or attorney may, upon the completion of the improvement, record in the office of the register of deeds in the county where the real property or any affected part of the real property is located a notice of completion, or the owner or purchaser may require a person or organization with whom the owner or purchaser has contracted for the improvement to do so upon the completion of the improvement, and the owner or purchaser of improved real property or any other authorized party shall simultaneously serve a copy of any notice of completion recorded with the register of deeds on the prime contractor; provided however, no copy of the notice of completion is required to be served on any prime contractor when the owner, or an entity controlled by the owner, also acts as the general contractor, as defined in § 66-11-146(b)(1), in furtherance of the improvement to the property.

SECTION 2. Tennessee Code Annotated, Section 66-11-143(d), is amended by deleting the subsection in its entirety and by substituting instead the following:

(d)

(1) On the same date of the recording of the notice of completion, a copy of the notice shall be served on each prime contractor and remote contractor who

has served the required notice of nonpayment, pursuant to § 66-11-145, and the prime contractor and remote contractor:

(A) For improvements to or on real property for one-family, two-family, three-family and four-family residential units, shall have ten (10) days from such service to serve notice in accordance with this section, and if notice is not served within that time, then the lien rights of the claimant shall expire; or

(B) For all other contracts for improvements to or on real property, shall have thirty (30) days from such service to serve notice in accordance with this section, and if notice is not served within that time, then the lien rights of the claimant shall expire.

(2) The lien rights of the prime contractor and each remote contractor not so notified shall not be affected by the notice of completion.

SECTION 3. Tennessee Code Annotated, Section 66-11-146(b)(1), is amended by adding the following language to the end of the subdivision:

As used in this subsection (b), "general contractor" means the person responsible for the supervision or performance of substantially all of the work, labor, and the furnishings of materials in furtherance of the improvement to the property.

SECTION 4. Tennessee Code Annotated, Section 66-11-146(b)(2), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(2) When the owner of residential real property and the general contractor are one and the same person, or a person controls entities owning such property and a general contracting business, a lien or right of lien upon such property shall exist only in favor of the general contractor and lienors in contractual privity with the owner or general contractor.

SECTION 5. Tennessee Code Annotated, Section 66-11-149(a), is amended by adding the following language to the end of the subsection:

The owner shall furnish a certified copy of the building permit issued on any subject property to the purchaser, any lender secured by the subject property, or any attorney or agent thereof, upon request, prior to any transfer of any interest of the owner.

SECTION 6. This act shall take effect July 1, 2008, the public welfare requiring it.